Revitalizing FEMA's Logistics Enterprise

Hurricane Conference

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The Agenda

- Quick Mission Review
- Hurricane Katrina Lessons Learned
- 2006 Initiatives
- New FEMA
- LOG-CONOPS
  - Logistics Transformation
  - 2007 Hurricane Plan
  - The 3PL Initiative
- The Way Ahead

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Mission

- FEMA Logistics Mission is to provide disaster support for all-hazards and through all phases – preparedness, response, recovery and mitigation.
- Logistics includes:
  - Material management (supplies, equipment and contracting for services)
  - Transportation management
  - Facilities management
  - Personal property management
  - Logistics information and communication
  - Customer coordination and liaison

Lessons Learned

- Lessons Learned from Hurricane Katrina demonstrated the need for:
  - Proper commodity stockage levels and capabilities
  - Proper storage locations and capabilities
  - Complete asset visibility from the point of origin to the point of distribution
  - Experienced personnel to ensure accountability
  - Increased partnership with the private sector
  - Contingency and standby contracts
  - Increased pre-planning and standard operating procedures
  - Improved coordination and partnerships with logistics partners

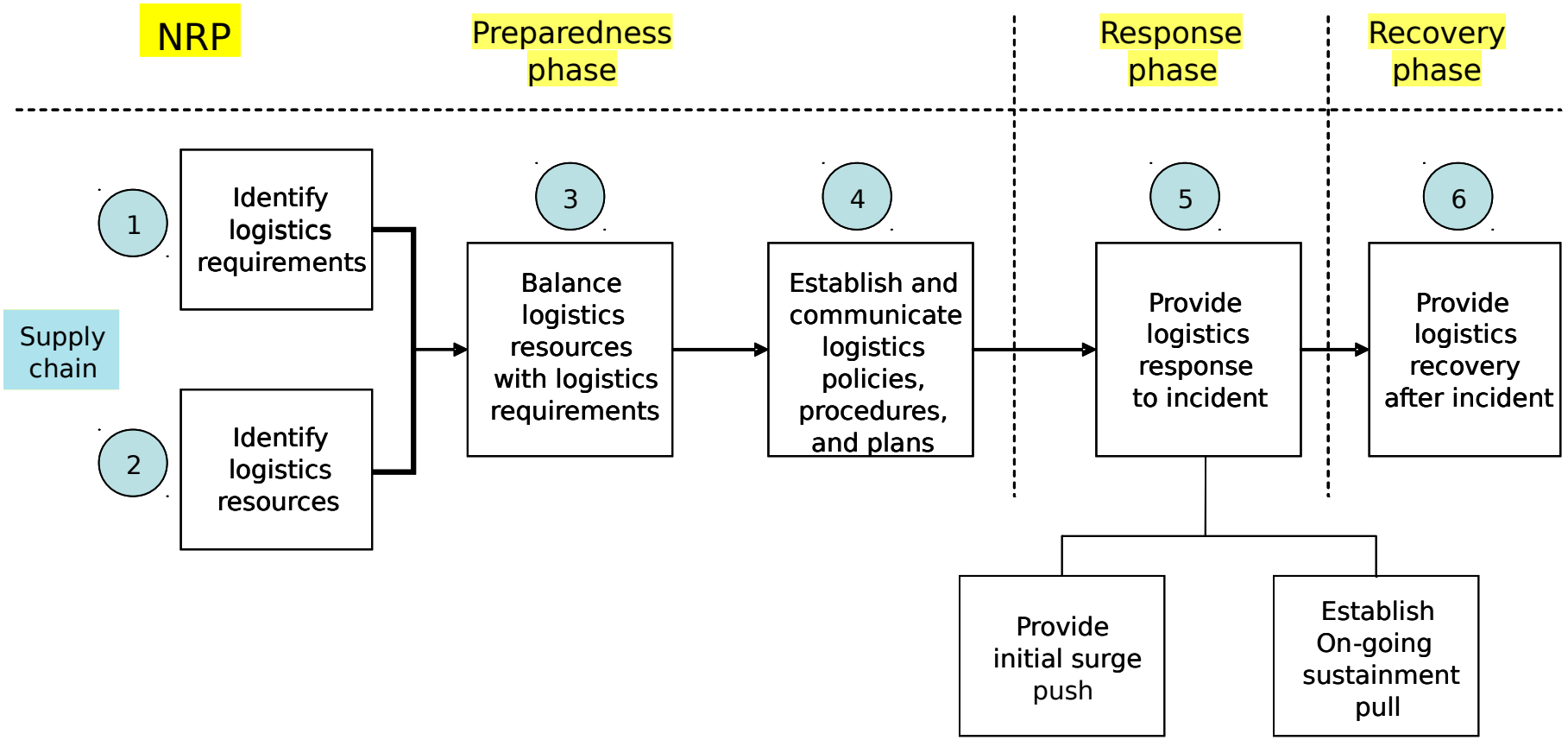
2006 / 2007 Logistics Key Initiatives

- Hurricane Season 2006 National Pre-positioning initiative:
  - Over 1,000 trailers pre-positioned
- Initiated Total Asset Visibility (TAV) - Phase 1B
  - Continue to refine requirements for TAV Phase II
- Created the E-tasker system
  - Automated the logistical requirements process
- Enhanced internal logistical partner relationships
- Improved relationships with Federal partners including:
  - IAAs with other Federal Agencies
- Private Sector partnerships
- Developed the Alutiiq contract

The New FEMA

- The Director's vision is to transform FEMA into the Nation's preeminent emergency management agency.
- A critical component of this vision is the elevation of the Logistics Branch to a Directorate, to create a more comprehensive, national logistics system that will:
  - Be prepared to respond to all hazards mission;
  - Be responsive and flexible to changing requirements;
  - Be prepared to meet needs of responders and victims consistently and timely;
  - Establish core competency profiled workforce
  - Employ 21st century technology and best business practices;
  - Leverage public and private partnerships;
  - Institute a supply chain approach to emergency management.

The LOG-CONOPS Supply Chain Approach



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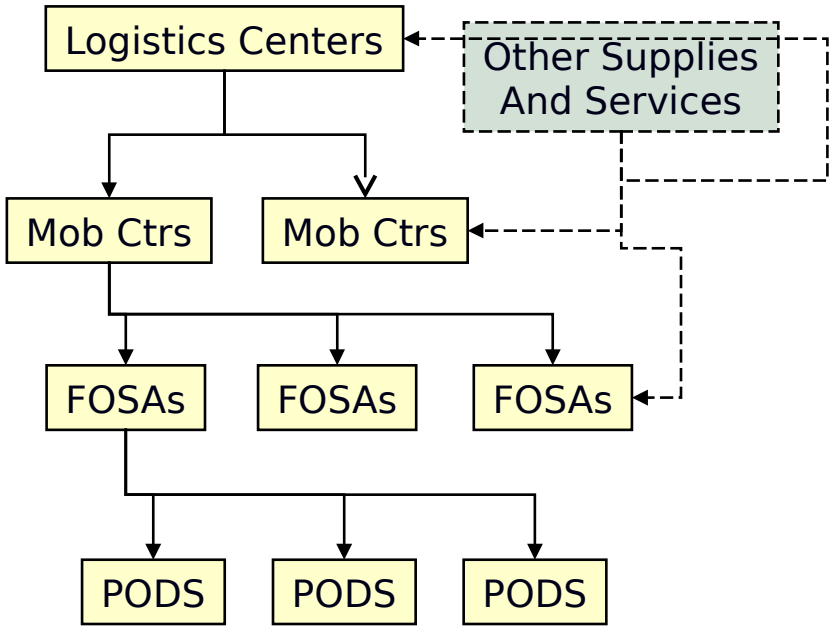
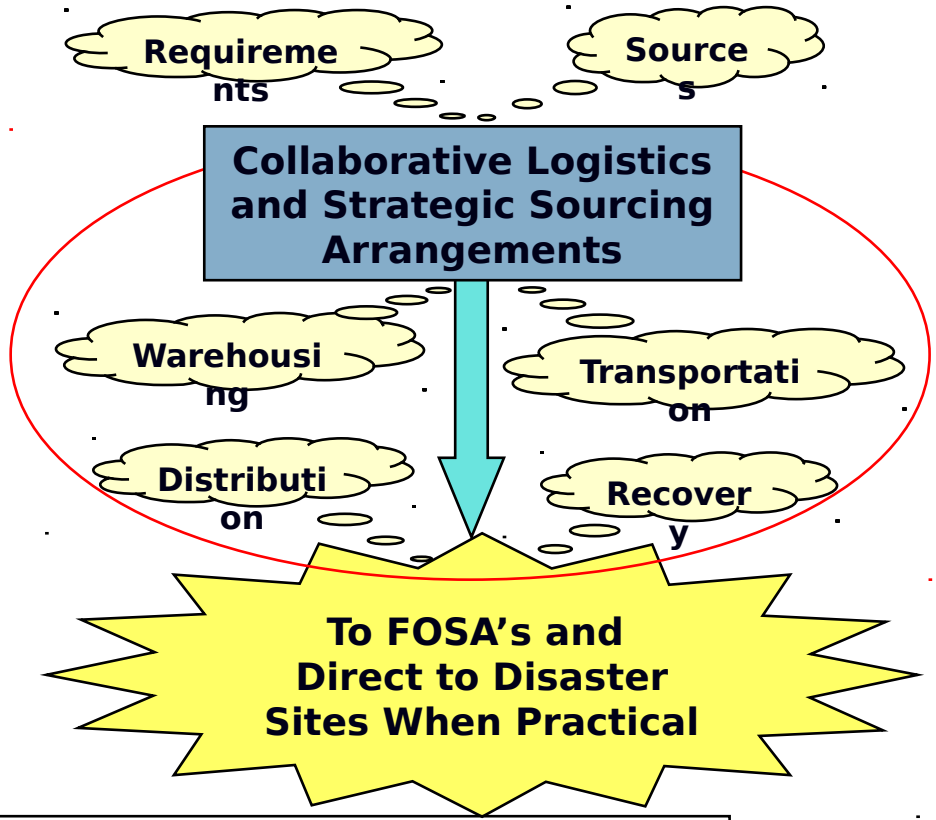
The FEMA Logistics Transformation

As-Is → To-Be





The transformation involves multiple parties and is multi-dimensional

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The Logistics Transformation: Changes Desired

- Public/ Private Partnerships – supply chain partners with performance based agreements/contracts utilized
- Forecasting – logistics requirements computed based on operational plans
- Procurement – contingency contracts pre-negotiated and at the ready
- Sourcing- strategic sourcing employed to increase market leverage
- Stock Positioning – locations determined through optimal positioning for response
- Inventory – product mix determined by life-saving & sustainment requirements
- Distribution – touches and intermediate shipping points minimized
- Information Sharing – modern inventory management system integrating agency operations with asset visibility
- Training – certification program instituted with defined requirements
- Lessons Learned – institutionalized program for documenting/fixing problems

The 2007 Hurricane Stock Positioning Plan

Life Saving Commodities

- Water
- Ice
- Meals
- Generators
- Blankets
- Blue sheeting
- Tarps
- Cots

Inventory Planning Factors

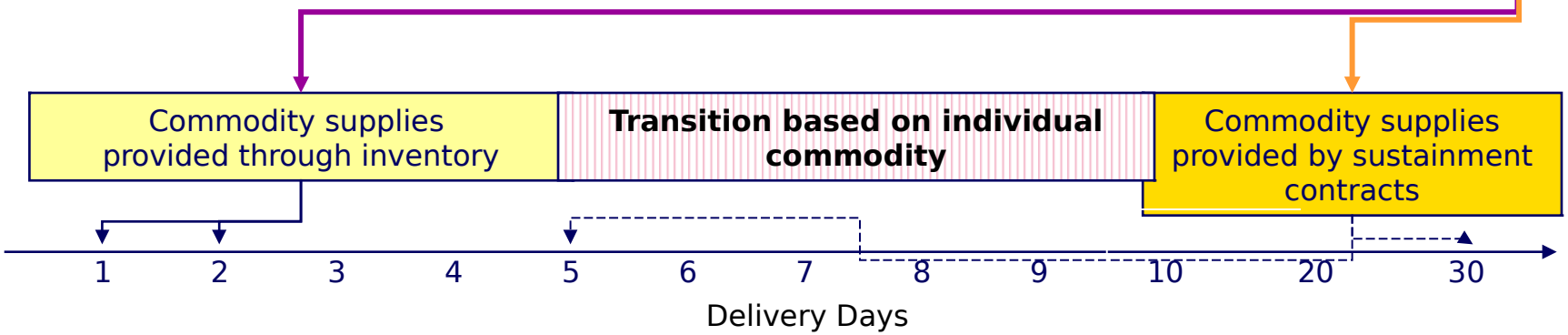
- 1M people
- 10 days duration
- Established algorithms
- Continuous pipeline for water, ice and meals; one time issue for blankets, tarps, etc
- Timeline: 24-48 hours of incident

Sustainment contracts in place for inventory replenishment and direct

Requirements

- Optimization modeling for product mix and locations
- Warehouse, transportation and personnel capabilities determined

Contract requirements established



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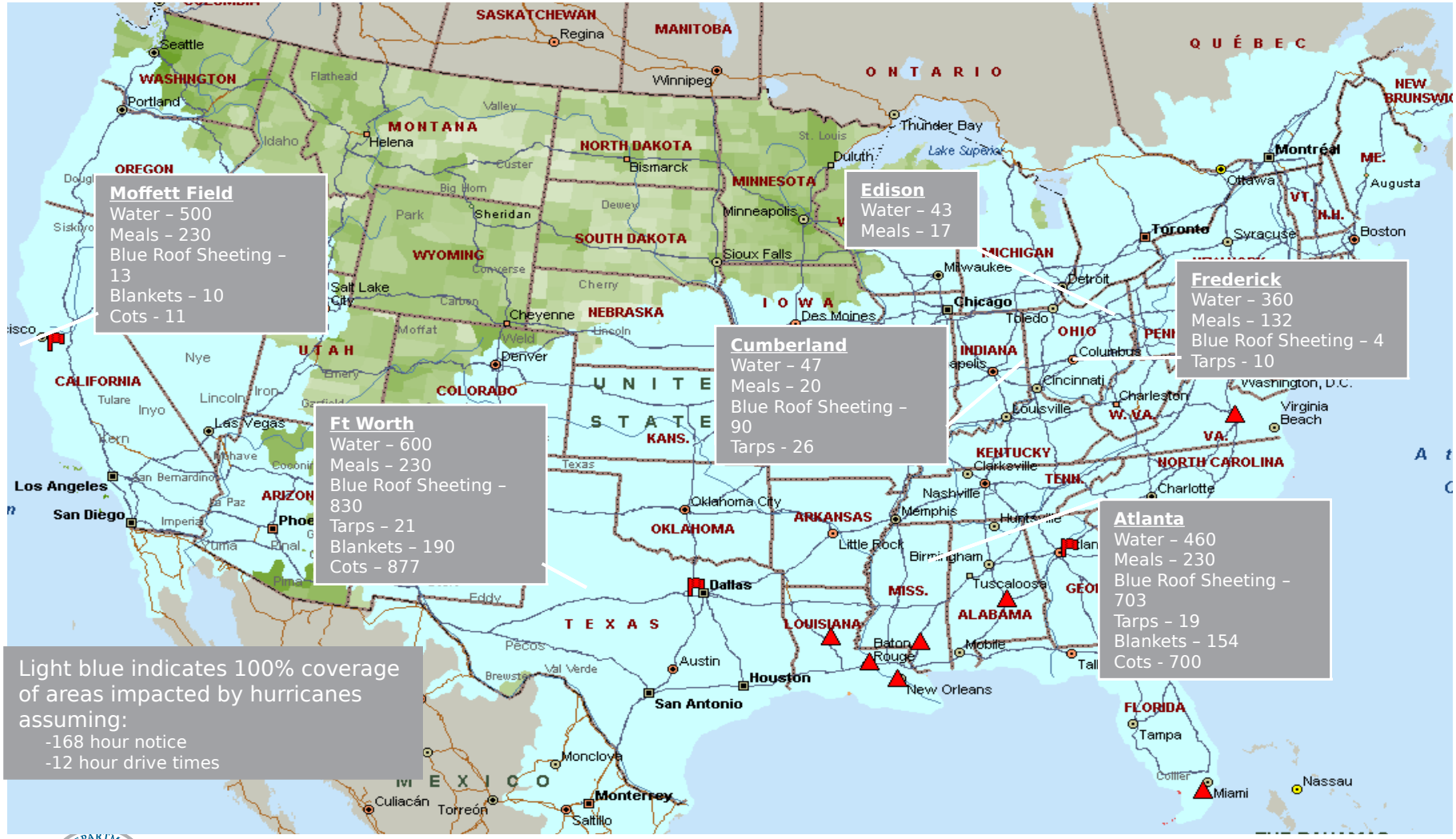
The 2007 Hurricane Stock Positioning Plan (cont)



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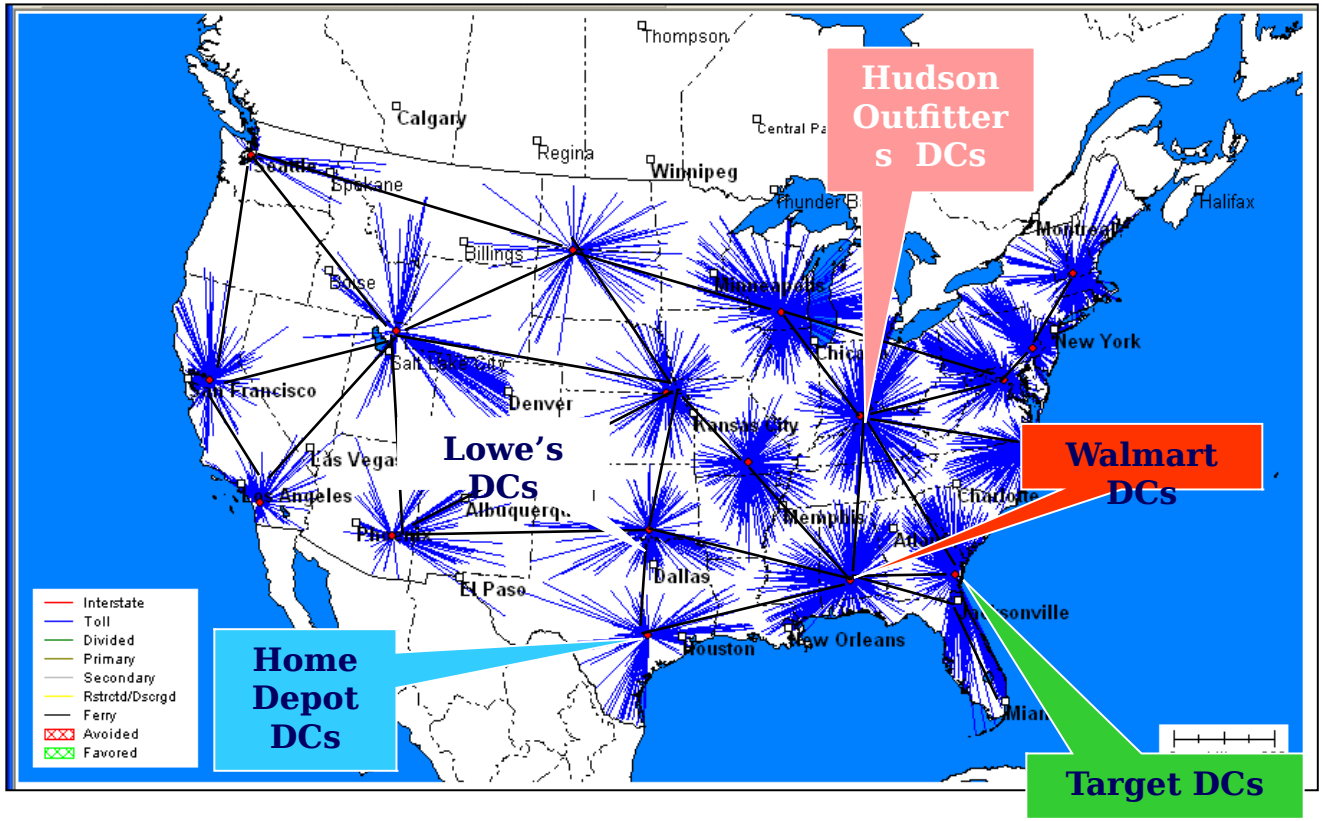
The LOG-CONOPS Future 3PL Concept*

Leverage Existing Commercial Supply Chains



- Minimize start-up and shut down fog factor
- Gain access to greater transportation capacity already under contract
- Own inventory only for items where contingency contracts can not be executed
- Leverage the visibility system of the commercial supply chain managers
- Leverage a 3PL and 4PL as logistics collaboration lead
- Focus FEMA internal management emphasis on seam between national and the local delivery network operating within the disaster area.

*Outsourcing some of a company's logistics operations to a specialized company

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Potential Opportunities for 3PL Services

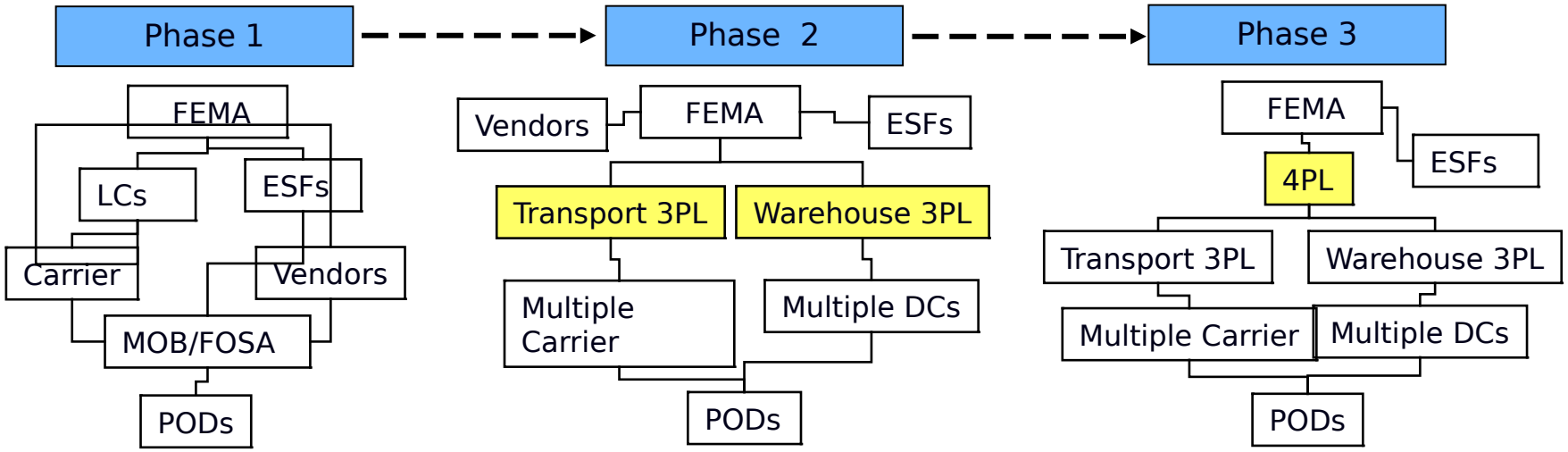
Tier A Supplies
- Water
- Ice
- Meals
- Generators
- Blankets
- Blue sheeting
- Tarps
- Cots
- More…

Tier B Supplies
- Fuel
- Bldg supplies
- Tools
- Safety items
- Furniture
- Equipment
- Pet food
- Body bags
- More…

Tier C Services
- Warehousing
- Transportation
- Evacuation
- Base camp
- Personnel
- Construction
- Office support
- Port-potties
- More…

- Requirements based upon past natural disasters and 15 disaster scenarios
  - Tier A are life preserving supplies provided in 24-48 hours of disaster through established inventory
  - Tier B are essential supplies provided as needed through pre-negotiated contracts/agreements
  - Tier C are support services provided as needed through pre-negotiated contracts/agreements

The Way Ahead – A Notional Depiction



- Finalize and agree on requirements with all partners
- Reach consensus on direction and desired outcome with a phased timeline
- Develop implementation plan that transitions to the desired state (e.g., 1 to 2 to 3)
- Begin logistics transformation by piloting single product at first
- Incorporate other logistics from other federal departments and agencies during any of the phases where added value can be clearly identified
- Do it when it makes business sense and do not expose government to undue risk

Questions?